

R590. Insurance, Administration.

R590-86. Filing of Life and Disability Forms and Rates.

R590-86-1. Authority.

This rule is promulgated by the insurance commissioner pursuant to the general authority to adopt a rule granted under Subsection 31A-2-201(3) and the more specific rulemaking authority granted under Section 31A-21-201 and Subsection 31A-30-106(1)(k).

R590-86-2. Purpose.

This rule is issued in order to implement Sections 31A-21-201, 31A-22-602, 31A-22-605, 31A-22-807 and Chapter 30 of Title 31A. It is essential that each filing submitted to the department be accurate in detail and complete with the required documents in order for the filing to be processed in a timely and efficient manner. This rule sets forth the requirements for filing life and disability forms and rates for use in the State of Utah.

R590-86-3. General Filing Requirements.

A. Form filings. All individual and group life, annuity, and disability forms must be filed with this department. No form may be used prior to filing. Only one copy of the form is required. Each form submitted for filing shall be identified by a form number in an accompanying cover letter or on an attached list. All submitted forms must be in printer's proof format, and the form number must be printed on the form. The proper disability or life transmittal form must be included with each submission. Cover letters shall be in triplicate and must concisely describe each form. Included in the description shall be:

1. the purpose of the form, the title, the benefits and provisions of the form including an explanation of any change in benefits or premiums which occur while the contract is in force. Include in the description any riders, endorsements or options that may be added to the form;

2. the method of marketing, for example, mass merchandised through mass media, individually issued through licensed agents, association membership, franchise membership, union membership, or other method;

3. market intended, the issue ages, particularly note any specialized market;

4. an explanation of any deviation from normal underwriting, for example, medical, nonmedical, guaranteed issue, simplified application, or other deviation; and

5. if the filing includes only riders, endorsements or applications, describe the effect of the form on the base policy and identify the base policy, including form numbers and dates filed in Utah. Also describe any change in the marketing.

B. Rate filings.

1. Rates for individual disability policies, excluding individual policies subject to Chapter 30, that comply with Rule R590-167, riders or endorsements must be filed. Any rates for these forms must also be filed in accordance with the

requirements of Rules R590-85 "Filing of Rates for Individual Disability Insurance Forms and Individual and Group Medicare Rates," R590-146 "Medicare Supplement Insurance Minimum Standards," and R590-148 "Long-Term Care Insurance Rule," in addition to the requirements of this rule.

Each disability rate submission shall include an actuarial memorandum describing the basis on which rates were determined and shall indicate and describe the calculation of the loss ratio as required by Rules R590-85, R590-146 and R590-148. The rate filing must be in compliance with Utah laws and rules and the benefits must be reasonable in relation to premiums. In addition, these calculations must be accompanied by a certification signed by a qualified actuary who certifies that the calculations were made according to formulas that, to the best of his knowledge, satisfy legal minimum requirements of the State of Utah. Refer to Bulletin 92-4(b), "Procedures for the Submission of Disability Form and Rate Filings."

2. Credit life and credit disability forms and rates must be in compliance with Utah laws and rules and the benefits must be reasonable in relation to premiums. The filing must be submitted in accordance with the requirements of Rule R590-91, "Credit Life and Disability Insurance."

3. The rates for any small employer or individual policy to which 31A-30-104 applies, must comply with the requirements of Rule R590-167, "Individual and Small Employer Health Insurance Rule."

C. Filing fees. Each form or rate submitted must be accompanied by the appropriate filing fee. Retaliatory filing fees are due at the time of submission. The retaliatory fee is the greater of:

- (1) the Utah filing fee, or
- (2) the filing fee that would be payable to the company's domiciliary state by a Utah company filing the same form or rate. Refer to Section 31A-3-401.

D. Domiciliary approval. For non-domestic companies each form and rate submitted to this department for filing must have been previously filed with and reviewed by the domiciliary state. If, in the domiciliary state, the form is deemed filed, exempt from filing, filed for informational purposes, or if the form is not intended for marketing in the domiciliary state, then alternate information is required as follows:

1. a list of all states to which the form, rate, or both have been filed, together with any state actions to date on the forms and rates; and
2. an explanation of why the form is not intended for marketing in the domiciliary state and any points of conflict between the form, rate, or both and domiciliary state laws or regulations.

E. Actuarial Filings.

1. A signed actuarial memorandum is required with all credit life and disability filings and all life and annuity forms which are subject to "The Standard Nonforfeiture Law for Life Insurance," "The Standard Nonforfeiture Law for Individual Deferred Annuities," and "The Standard Valuation Law," Sections

31A-22-408, 31A-22-409, and Title 31A, Chapter 17, Part 5 respectively. The memorandum must specify the mortality and morbidity tables, interest rates, and methods used in calculating nonforfeiture values and reserves, together with an actuarial demonstration of compliance showing methods used to calculate these values.

2. All individual disability policy forms, riders, or endorsements affecting benefits subject to Section 31A-22-602, must include a signed actuarial memorandum including information as required by Utah Rule R590-85, "Filing of Rates for Individual Disability Insurance Forms and Individual and Group Medicare Rates." Individual policies subject to Chapter 30 are excluded from this requirement.

3. An actuarial certification as described in Rule R590-167, "Individual and Small Employer Health Insurance Rule", must be filed for any small employer or individual policy to which 31A-30-104 applies.

F. Policy Summary. Each policy form which is required to be issued with a Policy Summary, entitled "Statement of Policy Cost and Benefit Information," as required by Rule R590-79, "Life Insurance Solicitation," or a Policy Outline of Coverage as required by Rule R590-126, "Individual and Franchise Disability Insurance, Minimum Standards," R590-146, "Medicare Supplement Insurance Minimum Standards," and R590-148, "Long Term Care Insurance Rule," must file the Policy Summary or Policy Outline with the submission.

G. Application. Any policy form that requires a copy of an application to be attached when issued shall be submitted with the application form attached.

H. Sample information. All blank spaces of each form must be filled in and completed with hypothetical data to indicate the purpose and use of the form.

I. Group Information. Every group filing must identify the type of group as defined by Sections 31A-22-502 through 508, and 701. Any group which does not clearly meet the definitions of Sections 31A-22-502 through 508, and 701, is subject to Section 31A-22-509. Approval for these groups must be obtained from the commissioner prior to the submission of any form filing. A copy of the group approval letter must accompany all form filings for groups subject to Section 31A-22-509.

R590-86-4. Filing Process.

All form and rate submissions will be handled in accordance with the procedures described in the disability filing Bulletin 92-4(b) and the life filing Bulletin 92-5, or any replacements. Refer to each respective filing bulletin for specific instructions for submitting form and rate filings and for a sample of the required transmittal form.

R590-86-5. Penalties.

Persons found, after a hearing or other regulatory process, to be in violation of this rule shall be subject to penalties as provided under Section 31A-2-308.

R590-86-6. Severability.

If any provision of this rule or the application of it to any person or circumstance is for any reason held to be invalid, the remainder of the rule and the application of the provision to other persons or circumstances may not be affected by it.

KEY: insurance law

January 1, 1997

31A-21-201